# GOVERNMENT OF INDIA
# HEALTH AND FAMILY WELFARE
# LOK SABHA

UNSTARRED QUESTION NO:3455
ANSWERED ON:22.12.2004
SUPPLY OF SUB-STANDARD MEDICINES
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**Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:**

(a) whether as per the comptroller and Auditor General of India (CAG) report , due to supply of sub-standard medicines by 18 Central Procurement Agency (CPA) and rate control holding firms, Guru Teg Bahadur Hospital(GTB) had to incur an extra expenditure of Rs. 18.18 lakh to purchase medicines during 1997-98 to 2000-01 ;

(b) if so, the details thereof;

(c) whether it is also true that in this case the Directorate of Health Services(DHS) failed to invoke the risk and cost clause to recover this extra expenditure from the defaulting firms;

(d) if so, the reasons for non-recovery of this extra expenditure by the DHS ;

(e) the measures taken/being taken to expedite quality control checks in Government labs and to strengthen the procedures to guard against the supply of sub-standard drugs ;

(f) the names of these 18 defaulting firms; and

(g) the action taken/proposed to be taken against these firms?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH & FAMILY WELFARE ( SMT. PANABAKA LAKSHMI)

(a) to (d): The Govt. of NCT of Delhi has informed that after the failure to supply medicines by Central Procurement Agency (CPA), rate control holding firms, Guru Teg Bahadur Hospital placed orders to firms approved against open tender enquiry leading to Risk Purchase amounting to Rs.10.18 lakhs only (not Rs.18.18 lakhs). The Directorate of Health Services (DHS), Govt. of NCT of Delhi has invoked the risk and cost clause and recovers the amount from the pending earnest money deposit of the firms. However, some of the firms never participated in the CPA tenders after 1997-98. As such recovery could not be made from them. The firms have been asked to deposit the amount on account of risk purchase, but they failed to do so.

(e): The Govt. of NCT of Delhi has informed that each batch of the drugs supplied to hospitals/institutions on CPA rate contract are tested from the Govt. approved labs and these reports are communicated immediately to the hospitals/institutions to guard against the supply of sub-standard drugs. Hospitals have been instructed to send the samples within 48 hours from the receipt of supply. Moreover, all rate contract holding firms have been asked to submit the inhouse test report of each batch alongwith the supplies to the hospitals.

(f): A list is annexed as Annexure.

(g): The risk and cost clause has been invoked on the defaulting firms through recovery from earnest money deposit.

ANNEXUXRE

STATEMENT REFERRED IN REPLY TO PART (f) OF THE LOK SABHA UNSTARRED QUESTION NO.3455 FOR 22.12.2004.

The names of the defaulting firms are as under:-

1. M/s. Reliance.

2. M/s. Asculapius.

3. M/s. Alpine.

4. M/s. Omega.

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5. M/s. Elder Pharma.
6. M/s. Glaxo.

7 M/s. Knoll Pharma.

8. M/s. Ace Lab.

9. M/s. Natco Labs.
10. M/s. Pure Pharma.
11. M/s. Ambuja.
12. M/s. Chinar.
13. M/s. Remis.
14. M/s. Sri Saibaba.
15. M/s. Nestor Pharma.
16. M/s. Magna.
17. M/s. Mount Mettur.
18. M/s. Hab Pharmaceuticals.